

Message Text

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ACTION EB-07

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SUBJECT: GOG INDUSTRIAL AND ENERGY POLICY

1. AT PRESS CONFERENCE HELD DEC. 12 INDUSTRY MINISTER C. KONOFAGOS STATED GREECE'S INDUSTRIAL DEVELOPMENT IS OF VITAL IMPORTANCE IN VIEW REACTIVATION GREEK-EEC ASSOCIATION AGREEMENT AND FAVORABLE PROSPECTS FOR FULL INTEGRATION IN FUTURE. HE CALLED FOR SYSTEMATIC AND RAPID ESTABLISHMENT NEW ESSENTIAL INDUSTRIES AND EXPANSION EXISTING ONES, AND INDICATED MEASURES UNDER CONSIDERATION TO ENCOURAGE LOCAL AND FOREIGN INVESTMENT IN INDUSTRIAL SECTOR.

2. GOG INDUSTRIAL DEVELOPMENT POLICY WILL AIM AT ENHANCING COMPETITIVENESS LOCAL INDUSTRY AND SHOULD BE ACHIEVED WITHOUT SUBJUGATING GREEK INDUSTRY TO MONOPOLIES AND OLIGOPOLIES, THE MINISTER SAID. HELLENIC INDUSTRIAL DEVELOPMENT BANK (ETVA) WILL PLAY ACTIVE ROLE (THROUGH FINANCING AND PARTICIPATION IN ESTABLISHMENT IMPORT-SUBSTITUTING UNITS IN THOSE INDUSTRIAL AREAS NOW UNDERDEVELOPED BECAUSE OF INSUFFICIENT PRIVATE INTEREST.

MR. KONOFAGOS ADDED GOG IS EXPLORING POSSIBILITIES OF

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COOPERATION WITH ARAB OIL PRODUCING COUNTRIES IN INDUSTRIAL

SECTOR.

3. REFERRING TO GREECE'S ENERGY SOURCES, THE MINISTER COMMENDED THAT INDIGENOUS LIGNITE RESERVES PROVIDE SOME FLEXIBILITY WITH RESPECT TO GREECE'S POWER REQUIREMENTS AND THAT DEVELOPMENT OF THIS RESOURCE WILL BE MAXIMIZED. THIS GIVES AMPLE TIME FOR CONSIDERATION OF REORIENTATION PUBLIC POWER CORPORATION'S (PPC) POWER GENERATION PROGRAM TOWARDS USE OTHER ENERGY SOURCES (OIL AND NUCLEAR) IN THE FUTURE. HE ALSO MENTIONED POSSIBLE ADMINISTRATIVE MERGER OF LIPTOL (PPC OWNED LIGNITE MINING OPERATION) AND PPC.

4. MINISTER EMPHASIZED EFFORTS WILL BE MADE TO EXPEDITE DEVELOPMENT THASSOS OIL RESERVES. GOG WILL SEEK IMPROVE PRESENT "ONEROUS" TERMS GOG-OCEANIC OIL EXPLORATION AND DEVELOPMENT AGREEMENT IN LINE RECENT INTERNATIONAL DEVELOPMENTS IN OIL SECTOR. HE ADDED THAT OIL EXPLORATION AND DEVELOPMENT CONTRACTS WILL IN FUTURE BE AWARDED ON BASIS INTERNATIONAL TENDERS TO BE GOVERNED BY INTERNATIONALLY ACCEPTABLE TERMS.

5. DEVELOPMENT OF PHILIPPI PEAT DEPOSITS IS STILL UNDER CONSIDERATION, HE SAID, AS IT INVOLVES SERIOUS SOCIAL ISSUES. HE ALSO STRESSED THE IMPORTANCE OF ARADICAL REORGANIZATION OF INDUSTRY MINISTRY.

6. KATHIMERINI WAS ALONE IN REPORTING REMARK AT CONFERENCE BY UNDERSECRETARY KARAISKAKIS ADVOCATING AMENDMENT OF INVESTMENT LAW 2687 FOLLOWING CAREFUL STUDY OF NEGATIVE ASPECTS OF ITS IMPLEMENTATION.

7. COMMENT: EMBASSY HAS BEEN UNABLE CHECK ALLEGED KARAISKAKIS' STATEMENT, BUT IF TRUE THIS IS FIRST-TIME MEMBER OF CARAMANLIS' CAMP HAS SUGGESTED AMENDMENT OF LAW 2687. REFERENCE TO USE OF INTERNATIONAL TENDERS FOR FUTURE OIL EXPLORATION AND EXPLOITATION CONTRACTS ALSO A FIRST. CRITICISM OF OCEANIC PART OF CONTINUING PRESSURE TO OBTAIN COMPANY'S ACQUIESCENCE IN REVISION OF THASSOS CONTRACT.
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